

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

IN RE:

Case No. 08-69445

LITTLE ROCK BAPTIST CHARITY CARE
CENTER, INC.,

Chapter 11

Debtor.

Judge Thomas J. Tucker

**MEMORANDUM REGARDING CASH COLLATERAL STIPULATION
FILED DECEMBER 2, 2008 (DOCKET # 9)**

This case is before the Court on the Stipulation filed on December 2, 2008 for entry of an interim cash collateral order (Docket # 9, the “Stipulation”). Under L.B.R. 4001-2(c)(E.D. Mich.), the Court cannot yet enter an interim cash collateral order without a hearing, and cannot enter the proposed order submitted by Debtor, for the following reasons:

1. No motion for entry of an order approving the agreement reflected in the Stipulation has been filed, as contemplated by the opening words of L.B.R. 4001-2(c).
2. The proposed interim cash collateral order does not comply with L.B.R. 4001-2(c)(2).
3. The “Budget” referred to as “attached hereto as Exhibit B” at ¶ 3 of the proposed order is missing (it is not attached to the proposed order or to the Stipulation, or anywhere else in the record as far as the Court can tell.)
4. The proposed order (at ¶ 7) does not comply with L.B.R. 4001-2(c)(4).
5. The proposed order (at ¶¶ 8 and 9) does not comply with L.B.R. 4001-2(c)(5). The order must include the exact wording required by L.B.R. 4001-2(c)(5).
6. The Stipulation is not accompanied by the affidavit or declaration required by L.B.R. 4001-2(c)(6). The proposed order refers on the first page to an affidavit of Rev. James C. Holley, but the Court cannot find any such affidavit in the record, and none is attached as an exhibit to the Stipulation.
7. Paragraph 4 of the proposed order has the following problems:
 - a. The replacement liens provided are not limited to the extent of the diminution of the secured creditors’ collateral caused by Debtor’s use of cash collateral.
 - b. The order should explicitly state that no liens are granted in any Chapter 5 causes of action or their proceeds.

c. There is insufficient information provided to justify payment of post-petition interest to the Bank. (Among other things, and perhaps because there is no Holley affidavit filed, there is really no information provided about the Debtors' secured debt at all.)

Debtor may attempt to correct these deficiencies, and if it does so, it may submit a revised, proposed interim cash collateral order.

Signed on December 2, 2008

/s/ Thomas J. Tucker
Thomas J. Tucker
United States Bankruptcy Judge